

Director of Central Intelligence
Meeting With Administration Management Advisory Group

7 March 1978

AGENDA

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|-------|-----|--|--------------|
| TOPIC | I | Follow-up remarks by the DCI regarding personnel "flow-through." Reference DCI/ADMAG meeting of 27 May 1977. | (10 minutes) |
| TOPIC | II | General Discussion | (20 minutes) |
| TOPIC | III | Problems in Communications | (10 minutes) |
| TOPIC | IV | Agency Stability | (10 minutes) |

- I. Follow-up remarks by the Director of Central Intelligence regarding personnel "flow-through." Reference the DCI/ADMAG meeting of 27 May 1977, and a subsequent memorandum from ADMAG to the DCI, dated 2 June 1977, subject, ADMAG Suggestions for the DCI.
- II. General Discussion. ADMAG would appreciate your views and insights on the following questions:
 - What do you perceive as the role of the new DDCI?
 - What role will the Executive Advisory Group (EAG) have in the future management of the Agency?
 - Do you anticipate further reorganization and additional personnel reductions in the Agency?
 - Regarding the current optional retirement exercise (discontinued service), is it possible to establish a uniform policy that would be standard throughout all Agency components?
 - How do you see the existing structure of the DDA supporting the new reorganization of the Intelligence Community Staff, with reference to budgeting, space, communications and data processing?
 - What progress has been made to implement inter and intra directorate rotations in the Agency?
- III. ADMAG members are of the opinion that there is a lack of adequate communications on items which impact on Agency personnel. This became apparent during recent events such as the reorganization and Congressional investigations.
 - A. Areas of Concern
 - Recent articles in Time and Newsweek, if factual, have provided more information to many employees than Agency publications and communications channels. Much of this information is not communicated to many employees.
 - Greater effort should be made to brief employees regarding Agency structure, mission and accomplishments. A failure to do so may result in employees having erroneous perceptions obtained from overt publications, media presentations and books by disgruntled former employees.

B. Solutions and Recommendations

- Consideration should be given to an Agency-wide publication similar in concept to the DDA Exchange magazine. Additionally, senior-level managers should have more personal contact with employees.
- Recommend that the CIA Guest Speaker Program be expanded to include presentations by Agency components, as well as Agency speakers having specialized knowledge in specific areas.

IV. There is concern among ADMAG members that a state of uncertainty exists in the Agency due to new managers, reorganization and the concept of openness/publicity.

A. Areas of Concern

- Employee morale is suffering due to internal instability.
- A lack of job concentration among employees prevents the proper attention and effort given to the production of quality intelligence.
- A lack of decision at all levels, as perceived by employees, prompts a feeling of uncertain direction.

B. Solutions and Recommendations

- Move swiftly to complete all personnel and reorganizational changes, thereby promoting continuity and stability.
- "Draw the curtain" on the publicity that the Agency is getting; e.g., Time and Newsweek articles.

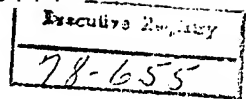
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Attached FYI is background paper prepared for DCI's 7 March meeting with the DDA Management Advisory Group.			
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3 March 1978

MEMORANDUM FOR: Director of Central Intelligence

FROM :
Deputy Executive SecretarySUBJECT : Your 7 March Meeting with the Administration
Management Advisory Group (ADMAG)

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1. Attached as background for your 7 March, 1030 meeting with the DDA Management Advisory Group (ADMAG) are a summary of the follow-up actions to their first meeting with you on 27 May 1977; an excerpt from Office of Personnel's 20 January 1978 memorandum to you on promotions, flow-through, and separations; and comments on two of ADMAG's 7 March recommendations.

2. One member of the current ADMAG, attended the May 1977 meeting.

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Attachments

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Summary of Follow-Up Actions to 20 May 1977 DCI/ADMAG Meeting

1. The ADMAG was the first group you met with, and the current format for recommendations had not yet evolved. They offered three discussion topics and do not expect any feedback on them:
 - How open should the CIA become and what is to be gained by this openness?
 - How will impending reorganization affect CIA, and DDA in particular?
 - Clarify your role, that of your staff, and the DDCI,
2. You precipitated a discussion of personnel "flow-through," and in response to your request, on 2 June 1977 ADMAG provided you the following recommendations, on which they would like feedback:
 - Employees with the least potential should be identified and appropriate action taken.
 - A three-year probationary period for new employees should be adhered to
 - STAT 24 June 1977, extended the probationary period for new employees to three years.
 - Seek approval for continued use of the 25-year discontinued service retirement option
 - Discontinued service has nothing to do with 25 years.
 - It is made available to resolve personnel problems or surplus situations.
 - DDA Instruction 77-4 extended this special retirement option to 30 June 1978.
 - It is not open to NFAC or DDS&T.
3. For additional background, the main recommendations from the attached excerpt from Office of Personnel's 20 January 1978 memo on promotions, flow-through, and separations are:

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--The DCI should approve Office of Personnel's recommended minimal promotion rates to assure utilization of promotion availability.

--Career Services should review promotion rates that do not meet the minimal guidelines and either make necessary adjustments or explain why this is not feasible.

(You have not yet reacted to this memo.)

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Comments on ADMAG's 7 March 1978 Recommendations

1. Recommendation II B 1: Consideration should be given to an Agency-wide publication similar to the DDA Exchange.
 - The Federal Women's Program Board made this same recommendation and forwarded a list of topics for consideration.
 - Public Affairs has been considering the proposal and has made no decision as yet.
2. Recommendation II B 2: Expand the CIA Guest Speaker Program to include presentations by Agency components and speakers.
 - NIO/China Jim Lilley initiated such a program on 17 January and others are scheduled to follow,

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PROMOTIONS, FLOW-THROUGH, AND SEPARATIONS

DCI ACTION ITEM:

Prepare a paper that would be based on the Director's philosophy of insuring flow-through at grade levels, incorporating the use of the descriptors and establishing the basis for separations at each grade level depending on analysis of promotion possibilities at those grade levels.

DISCUSSION:

Employees are concerned about a decline in promotion rates at a time when the Agency's attrition has been unusually low. Thus the Operations Directorate reports a 15 percent drop in promotions when FY 1977 is compared to FY 1974. We do see indications, however, that the rate of attrition will increase because of recent management action and growth in the pool of retirement eligible employees.

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An employee concern that is no less important is that the basis for personnel actions (hiring, promotion, and separation) be as objective and equitable as possible. To this end, employees have expressed in their responses to surveys their support for the Agency's effort to develop a performance-based personnel system in which good performance is rewarded and poorer performance leads to rehabilitation efforts, or, in more extreme cases, separation.

A central feature of this performance-based system is an evaluation process designed to discriminate between good performers and bad (or poorer) performers.* As the Agency is very selective in its

*It should be noted that the ranking system also reflects judgments concerning potential.

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choices from a wide range of applicants, poor performance is a relative matter and there are relatively few employees who do not meet performance standards.

Under such circumstances, the identification of the poorer performers takes two modes. The first is through the fitness reports, which document the more prominent cases of poor performance. The second is through comparative evaluation, wherein the evaluation panels are able to identify some of the more subtle cases of poor performance, such as those employees who while meeting performance standards are below the performance of their peers or those who are beginning to show problems. In the latter case, the prior concern is that of rehabilitation through counseling or such administrative action as reassignment. The results are often fortunate for both the Agency and the employee. Successful rehabilitation preserves benefits of the extensive Agency investment in the employee and usually is more cost-effective than separation.

Though the Agency's stock-in-trade is the skills of its employees, and recognition of this mitigates against arbitrary separation policies, there are times when these skills become excess or even obsolete. The present array of separation procedures provides means of separating excess personnel following the appropriate management determination.

In addition, the Agency has a selection-out procedure to provide for an orderly outflow of the less productive employees and to make room for an inflow. Under normal circumstances, the application of selection-out procedures within those of the bottom 3 percent who cannot be rehabilitated should be sufficient. Where extraordinary circumstances such as non-programmatic strength reductions require additional separations, the comparative evaluation rankings and the descriptors* permit identification of those who most merit retention, and conversely of those who have less retention value. The latter may be separated by the procedures that apply to excess personnel.

In view of this flexibility, one hesitates to widen the net for selection-out because so doing would increase the employee concerns for job security and further would weaken the necessary management focus on rehabilitation. Separations involve a cost to the organization and the write-off of a substantial investment; accordingly it is appropriate to view our employees as assets rather than as costs.

Based on the rates presented in the FY 1978 Annual Personnel Plan (APP) (see tabulation on page 4), it does not seem necessary to take additional management action with respect to separations to assure

*The descriptors are the basis for the competitive group ranking of employees under the categories of High Potential, May Develop High Potential, Valuable Contributors, Limited Potential and Substandard.

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an appropriate promotion flow. Instead, attention should focus on the planning of promotions to assure more complete utilization of promotion availability. Although there may be some blockages to the desirable promotion progression, these do not loom very large. At present, insufficient promotion planning appears to be a major cause of the low promotion rates in some grades. Analysis shows cases where more use of existent headroom at higher grades would open promotion flows at lower grades and where Career Services have adequate headroom even though particular sub-groups may not. Where the problem is not headroom, we cannot exclude the possibility that the low number of promotions planned at some grades reflects a low number of individuals considered to be qualified for promotion. If this is the case, this problem is not resolved by increasing the number of separations at higher grades.

A feasible course of action to improve promotion planning and assist management follow-up would be to establish some Agency-wide promotion rate targets with which to compare Career Service Planning in the APP. Where a Career Service does not meet the target rate in its plan, it should be required to revise its plan or to explain why it cannot. Subsequent performance should be monitored to assure reasonable performance within the promotion targets.

In developing promotion rate targets, it is necessary to keep several dimensions in view, such as the implications to the speed of career progression, in timing required to develop the necessary skills and experience for career progression, the relative number of positions in each grade, the attrition rates for each grade, and the comparison of speed of progression with other agencies. The predecessor of the Operations Directorate did a study in 1960-1 to develop an idealized schedule of promotion rates with such an approach; the rates developed were significantly higher than the rates then being experienced and thus prompted some management action, including the establishment of CIARDS to improve personnel flow. These rates are shown in the first column of the following tabulation. The rates presented in the second column are those we think could be met presently by all the Career Services. It is encouraging to see that they are somewhat higher than those developed in the earlier study. Additionally, they have been reviewed against the separation rates and position structures of the Career Services to assure that they are sustainable over the longer run (that is beyond FY 1978). These rates have been set up as minimal guidelines to be met or bettered in the promotion planning of the Career Services. Some care should be taken, however, not to exceed them by overly rapid consumption of promotion availability arising from recent and non-recurring reductions of personnel.

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Promotions From GS-14 GS-13 GS-12 GS-11 GS-10 GS-09 GS-08	Desirable Long-Term Rates Per 1960-1 Clandestine Service Study	Suggested Minimal Guidelines for APP, FY 1978 and following (all Career Services)*
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The system can be restricted to these grades, for generally promotions at lower grades are not a problem. An exception is promotions for senior secretaries, and the constraint in this case is the limited number of positions available. In any case, this is being looked at as a separate problem.

Application of the suggested guidelines to the APP for FY 1978 would focus management attention on the promotion rates in the boxes in the following table as those that do not meet the standard and thus must be revised or explained (planned promotions expressed at percent of those in lower grade, by Career Service):

Promotions Planned From:

GS-14
 GS-13
 GS-12
 GS-11
 GS-10
 GS-09
 GS-08

*Calculated as percent of officers-in-grade at the beginning of the planning year.

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In most cases, those low rates identified in the boxes are associated with promotion plans that do not make sufficient use of promotion headroom within the personnel flows presently projected. In reviewing the rates, the E Career Service should be kept in mind as an aberration because it has an unusual grade structure and is a small service.

If this system were adopted, it would be possible for the DCI to announce the promotion targets and to inform the employees that he would review the promotion plans--and achievements-- of the Career Services for conformance. On the basis of experience, the targets could be modified. It would not be advisable to set the target promotion rates too high, as compliance might then lead to promotion of some employees not properly qualified. The suggested targets, however, do signal some cases where appropriate intervention should occur.

RECOMMENDATIONS:

1. It is recommended that the Director approve as minimal guidelines for promotion rates the following schedule for comparison with promotion planning in all Career Services (except the E):

Promotions From:

GS-14	7%
GS-13	12%
GS-12	15%
GS-11	20%
GS-10	30%
GS-09	30%
GS-08	30%

These may be calculated against either the year-beginning number of officers or the projected annual average number.

2. The Heads of Career Services should review those promotion rates in the FY 1978 APP that do not meet the specified minimal guidelines for the purpose either of bringing them into conformity or providing the Director with an explanation of why this is not feasible.

Sir:

We do not consider this a final review of the subject matter and will continue our examination. Changes or additional material will be forwarded if warranted. We wanted you to have this as a status report and also to be sure that our views, as expressed in this paper, are consistent with yours.

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